

Executive Requested
162-3579
(W)

MAY 1962

MEMORANDUM FOR: Mr. Walter Elder

SUBJECT : Proposed Visit of the Comptroller General to Mr. McCone

1. The Comptroller General has communicated his desire to call upon the Director.

2. Courtesy aside, the purpose of the Comptroller General's visit is probably to discuss audit of the Agency's affairs by the GAO. Until 1959, GAO audited so-called vouchered transactions of the Agency but was precluded from auditing transactions involving funds certified by the Director under his statutory authority as allocated for confidential purposes.

3. In 1959, the GAO raised with the CIA Subcommittee of the House Committee on Armed Services (the so-called Kilday Committee) the desirability of an expanded audit of Agency activities. After considerable negotiation, letters were exchanged between the DCI and the Comptroller General establishing the framework for a rather limited expansion of GAO audit. A GAO report dated 16 May 1961 concluded that the GAO did "not have sufficient access to make comprehensive reviews on a continuing basis that would be productive of evaluations helpful to the Congress... we plan to discontinue our audit of CIA activities".

4. Both the DCI and Mr. Vinson, Chairman of the House Committee on Armed Services, requested the Comptroller General to continue to audit Agency affairs on a limited basis. This has been done but it appears that the GAO continues to feel that they should either have very substantially broadened access to information about the Agency transactions or that they should discontinue their audit entirely. Presumably, this is a question which will be raised by the Comptroller General.

5. I recommend that the Director invite the Comptroller General to a meeting in the Director's Office and that Messrs. Houston, [] and I attend this meeting.

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JOHN A. BROSS
Comptroller

Comptroller

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